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FM AMEMBASSY RANGOON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9720
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHGG/UN SECURITY COUNCIL COLLECTIVE
RUEHBY/AMEMBASSY CANBERRA 2372
RUEHNE/AMEMBASSY NEW DELHI 5869
RUEHUL/AMEMBASSY SEOUL 9432
RUEHKO/AMEMBASSY TOKYO 7057
RUEHCHI/AMCONSUL CHIANG MAI 2392
RHEHNSC/NSC WASHDC
RHHMUNA/CDR USPACOM HONOLULU HI
RUCNDT/USMISSION USUN NEW YORK 2800
RUEKJCS/SECDEF WASHDC
RUEKJCS/Joint STAFF WASHDC

C O N F I D E N T I A L RANGOON 000006

SIPDIS

DEPT FOR EAP/MLS, DRL, AND IO
PACOM FOR FPA

E.O. 12958: DECL: 01/07/2020

TAGS: [PGOV](#) [PREL](#) [PHUM](#) [BM](#)

SUBJECT: BURMA: SURPRISE DOUBLING OF FEES ANGERS MOBILE
PHONE USERS

Classified By: Political/Economic Officer Brian Andrews for Reasons 1.4
(b) & (d)

Phone Calls Double in Price Effective January 1

[¶](#)1. (SBU) According to the Accounts Department of Myanmar Post and Telecommunications (MPT), mobile phone charges for permanent SIM cards doubled from USD 0.025 per minute to USD 0.05 per minute effective January 1. The price increase surprised the public and has angered mobile phone users. MPT offered no justification for the price increase and it is unknown how the government plans to use the expected increase in revenue.

Ownership of Mobile Phones Limited...

[¶](#)2. (SBU) While exact figures are impossible to ascertain, estimates suggest less than one percent of Burma's population owns a mobile phone, although the rate is reportedly higher in Rangoon and other cities. Permanent mobile phone SIM cards cost an average of USD 1,500. Even at this significant price, demand for permanent mobile phone SIM cards far exceeds supply. Permits to purchase the SIM cards are distributed to government officials, VIPs, and their families. Others must purchase the SIM cards via a lottery system operated by MPT. Mobile phone users are generally high-ranking government officials and their families, the wealthy, and business people.

But Increasing...

[¶](#)3. (SBU) It is also possible to rent mobile phones with permanent cards for roughly USD 35 to USD 50 a month. Telecommunications authorities reportedly plan to add 100,000 more mobile phone lines in Rangoon and 50,000 more in Mandalay. The new phone lines will have limited coverage areas but a substantially reduced cost of USD 500 each.

[¶](#)4. (SBU) The mobile phone per-minute price increase will not impact the prices and call charges for prepaid, short-term SIM cards. Central Marketing Co. Ltd, owned by junta crony Tay Za, offers prepaid SIM cards valid for one month for GSM phones at USD 20 and for three months for CDMA

phones at USD 50. As of the end of 2009, 760,000 of the one-month prepaid SIM cards and 30,000 of the three month prepaid SIM cards have been sold.

Comment

15. (C) In the past, sudden price increases on regulated products such as fuel have occasionally sparked protests against the government. In this instance, it is difficult to predict the likely response. Mobile phone ownership is limited; but the impact of the price increase will fall hardest on relatively well-off people in urban areas, those who perhaps have the gumption to lobby against the measure.

DINGER